CANADEXPORT

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The future of Canada-China trade relations

The recent state visit to Canada by Chinese President Hu Jintao was an important event in the new era of Canada-China relations. Seven new bilateral agreements were announced to enhance co-operation in the fields of transportation, railways, nuclear energy research and development, food safety, plant and animal health and reproductive health. These initiatives show a strong mutual commitment to realizing bilateral trade potential, and will go a long way towards realizing Canada's stated objective of doubling the level of its economic exchanges with China by the year 2010.

For example, the air transportation treaty announced by Prime Minister Martin and President Hu will permit a threefold increase in passenger and cargo flights. This will an increased flow of businesspeople, tourists, students and merchandise travelling between the two countries.

The Joint Science and Technology (S&T) Declaration announced during the visit will facilitate cooperative activities between Canadian and Chinese organizations, including the private sector. This is an important step in Canada's discussions with the Chinese on a S&T agreement and these negotiations are expected to be completed by year-end.

Photo: Dave Chan-PMO.

Prime Minister Martin meets with Chinese President Hu Jintao.

The visit also served to highlight how our relationship with China is evolving into a multi-faceted and increasingly interdepen-

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Canada Business Day hits the Netherlands

Rotterdam, the Netherlands, November 15, 2005 > The Canadian Embassy in the Netherlands, together with the Netherlands-Canadian Chamber of Commerce (NCCC), is organizing a Canada Business Day to raise awareness among the Dutch business community for Canada's potential as the "gateway to North America".

While the emphasis will be on investment and technology partnering in Canada, exporting will also be covered. Other partners include Montréal International, Invest Québec, Agriculture and Agri-food Canada and the Ottawa Centre for Research and Innovation. Leading Canadian high tech firms Mitel and Research in Motion are also part of the program. Successful Canadian entrepreneur Terry Matthews, Chairman of Mitel Corporation, will be the keynote speaker at the NCCC's Annual Luncheon which will be held as part of the event.

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International Trade Canada | Commerce international Canada

Canada

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Canada commits to R&D with India

New Delhi, India > Collaborative research between Canadian and Indian scientists and entrepreneurs will benefit from $6.75 million in increased Government of Canada funding over five years, International Trade Minister Jim Peterson announced at the 11th Technology Summit and Technology Platform 2005 in New Delhi, India.

The funding will assist in the development and commercialization of new technologies under the new International Science and Technology Partnership Program. The five-year program is aimed at building science and technology (S&T) relationships with a view to commercializing innovative ideas with selected countries, including India, China, Israel and Brazil.

"As a knowledge economy, we understand the benefits of close ties with this emerging R&D powerhouse," said Minister Peterson. "Not only will this funding help advance Canadian research and development, but it will enhance our commercial relations with India, and give our companies the edge in their sectors of expertise."

Canada was invited by India to be the partner country of this year's summit. Canada's largest-ever S&T delegation from business, government and academia shared the stage with Indian counterparts to introduce research and development collaboration and new technology opportunities.

For more information, go to www.infoexport.gc.ca/science/india_techsummit_partprof-en.htm.

Winner of women's trade award announced

Toronto > The Organization of Women in International Trade (OWIT) - Toronto has presented Susan Langdon, Executive Director of the Toronto Fashion Incubator, with the second annual JoAnna Townsend Award. The award, supported by International Trade Canada, Industry Canada's Network for Women Entrepreneurs and Export Development Canada, recognizes women in Ontario whose achievements and advocacy assist other women in expanding their businesses internationally. The award was presented at a ceremony on September 20.

"I was thrilled to receive the prestigious JoAnna Townsend Award," says Susan. "It came as an unexpected but delightful surprise, particularly considering the high calibre of talent among the finalists."

Susan was selected for her outstanding contributions in encouraging Canadian fashion designers to enter the international trade arena. Her career in fashion has spanned over 25 years, during which she has been a successful designer with her own award-winning label. In her role as Executive Director of the Toronto Fashion Incubator, she educates and mentors young fashion designers to explore export market opportunities in the U.S. She also utilizes the strength of the Canadian consulates around the world in addition to her own contacts to help designers promote their fashions globally.

The award honours the memory of JoAnna Townsend, a champion of women exporters, who died last year after a courageous battle with cancer. JoAnna joined the Export Development Corporation in 1984 and, in 1989, she founded Townsend Trade Strategies. In 1997, she joined the Department of Foreign Affairs and International Trade as Director of the Small and Medium Enterprises Division.

With chapters around the world, the Organization of Women in International Trade is dedicated to advancing global trade opportunities for women. **For more information**, go to www.owit-toronto.ca.

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Canada Business Day - from page 1

Canada Business Day will also provide an excellent opportunity for Canadian firms—particularly those in the advanced technology areas—to find technology partners in the Netherlands. There are two ways to participate: either in person or by video conference.

If you are planning to visit Europe this autumn, why not arrange your visit around Canada Business Day? Concurrent sessions are being held in the morning on the Dutch investment environment and venture capital. In the afternoon, sectoral seminars on life sciences, ICT and agri-food innovation could provide participants with an opportunity to present their firm to an audience of Dutch companies. Organizers will try to identify potential partners for those who register in advance and submit a profile. The €100 fee will be waived for all representatives of Canadian firms and institutes wishing to attend.

The second way to participate is through a point-to-point video conference. Canada Business Day organizers are working with Mitel and the Digital Port of Rotterdam to provide an innovative way for Dutch and Canadian business partners to meet. Mitel videoconferencing technology will allow for virtual meetings with potential Dutch business partners. Participants will be linked from their place of work to a work station in the Digital Port. Due to the limited time slots available, it is recommended that participants register early for this videoconferencing opportunity.

The Erasmus Bridge in Rotterdam.

For those interested more in exporting rather than technology partnering, the Holland International Distribution Council (HIDC) is offering a Webcast that will be of great interest. Together with the Canadian Embassy, HIDC will present on how advanced logistical services operations in the Netherlands permit Canadian companies to establish their supply chains for Europe at much lower cost.

For more information and to register, visit the Canada Business Day Web site at www.canadabusinessday.nl.

The Netherlands: Gateway to Europe

The Netherlands has long been considered the ideal site in which to base pan-European logistics operations, with its advanced infrastructure (physical and digital), its highly developed logistics service sector and a skilled and multilingual labour force. Over 800 multinationals supply their customers in Europe, Africa and the Middle East from the Netherlands, including Boeing, RIM, Nortel, Cisco, GUM products, CAE, CHC, Canon and Sony.

The Holland International Distribution Council (HIDC) is a private non-profit organization that represents approximately 500 companies in the logistics industry in the Netherlands. HIDC can help foreign companies set up or restructure their European supply chain. All of their services are free of charge and confidential.

New Canadian exporters to Europe can also benefit by outsourcing warehousing, logistics, labelling and packaging operations to Dutch service providers. HIDC wants to show you how you can enter the European and neighbouring markets more reliably and at lower cost during their November 15 Webcast scheduled for 10:00 EST. The Canadian Embassy in the Netherlands will provide an overview of export possibilities.

For more information and to register for the Webcast, contact Babiche van de Loo, HIDC, e-mail: B.vandeLoo@hidc.nl.

Transport Minister heads successful mission to China

Beijing China > China is the world's fastest growing major economy and has become Canada's second-largest two-way trading partner. A safe, secure and efficient transportation system will be needed to support these growing and important commercial ties. As such, both countries must ensure that their transportation systems are up to the opportunities and challenges of moving an increasing number of goods and people.

Transport Minister Jean Lapierre and the Chinese Minister of the General Administration of Civil Aviation, Yang Yuanyuan, sign the Memorandum of Understanding on Technical Cooperation in Aviation.

To further this increased growth and cooperation, Transport Minister Jean Lapierre recently headed a successful transportation mission to China. The mission, which took place from September 1 to 7, consisted of stops in Beijing, Shanghai and Hong Kong and included a business delegation, two Members of Parliament and western provincial government representatives.

While in China, Minister Lapierre made a point of promoting Canada as the gateway to North America. He emphasized that for Chinese businesses, the closest major deepwater port and the closest international airport in North America are both located in Vancouver. The Prince Rupert Port and the Port of Fraser River are also important and expanding deepwater ports with increasingly strong ties to trade with Asia. Shipments from China can get to the interior of North America more quickly and at lower cost by using the Canadian transportation system.

Minister Lapierre also signed the Memorandum of Understanding on Technical Cooperation in Aviation, which will facilitate the free movement of aeronautical products and services and share knowledge and technology. He also discussed the Canada-China bilateral air agreement that is expected to triple flights between Canada and China in the near future, and a new memorandum of understanding on railway cooperation that paves the way for exchanges on railway heavy haul container transportation. Both agreements were signed on September 9 in Ottawa, following the mission.

Looking to the future, Minister Lapierre and his Chinese counterpart agreed to review a bilateral agreement on maritime transportation, first signed in 1997, and discussed the need for increased maritime safety and security in light of growing trade between Canada and China and evolving international concerns.

This mission was convened in support of Prime Minister Paul Martin's goal of encouraging sector-specific missions following his trade mission to China in January 2005, and in support of the Government of Canada's *International Policy Statement*, tabled in April 2005, identifying China as a key commercial partner.

For more information, go to www.tc.gc.ca/mediaroom/releases/nat/2005/05-h182e.htm.

Doing business in China: General advice

- **Be punctual.** Chinese people usually arrive on time for meetings and other occasions, and sometimes even 5 or 10 minutes in advance. It is considered rude to arrive late for engagements of any kind.
- **Take time to get to know your counterparts.** You will need to establish a high level of trust in your partner (and he or she in you). Business style in China relies heavily on personal relationships based on trust rather than legalised, impersonal obligations.
- **The Chinese often use intermediaries to make personal introductions**, to carry bad news and to settle disputes. It is possible to carry on an acrimonious argument without ever facing your opponent.
- **Banquets are an integral part of deal-making in China.** On these occasions, you can't go wrong by taking cues from your Chinese counterparts. Sit where your host suggests; try the food that is offered; make a reciprocal speech and toast. If karaoke is part of the evening, gather your courage and sing your favourite song. Your host will enjoy it!

For more information, go to www.infoexport.gc.ca/ie-en/DisplayDocument.jps?did=49864.

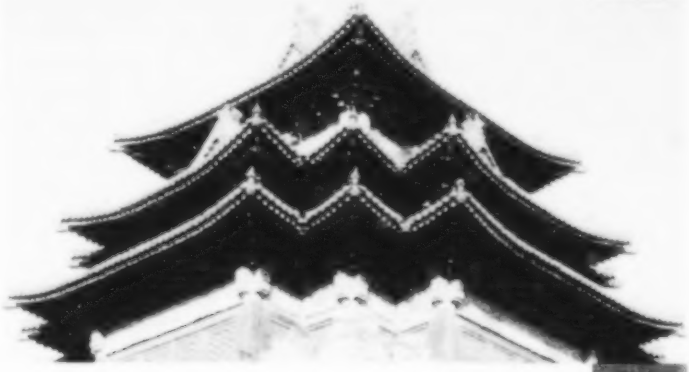
Canada-China trade relations (cont. page 4)

dent partnership—one characterized by incredible new commercial potential. And there are Canadian companies seizing these opportunities. The softwood lumber industry is a key example: domestic wood producers recently introduced Canadian-style wood-frame construction into the Chinese market where potential annual housing starts are in the millions. Their approach is paying off, as Canadian softwood exports to China have doubled to more than $104 million annually.

China has become Canada's 2nd largest two-way trading partner, with bilateral trade reaching $30.8 billion in 2004. For the first 7 months of 2005, trade between the two countries has reached $19.5 billion, an increase of 27% compared to the same period last year. But however important this progress has been, bilateral trade with China remains relatively modest, especially when compared to the relationship with our main trading partner, the United States.

To address this challenge, a number of government initiatives will be rolled out in 2006 to help Canadian businesses succeed in China and other emerging markets. These include a second mission to China to increase trade and investment, concluding a foreign investment protection agreement by mid-2006 and supporting the Pacific Gateway initiative, which aims at increasing British Columbia's port, rail and highway capacity to accommodate increased commerce with China and other Asian nations.

International Trade Canada will also be rolling out an emerging markets strategy which will help further position Canada to benefit from the rapidly growing economies of China, India and Brazil, and broaden our trade focus beyond the U.S.



Canada's economic future hinges on firmly embedding itself in China's economic expansion. Bold and concerted efforts to engage China today will have beneficial economic ripple effects for years to come. The dynamic Chinese community in Canada represents a tremendous asset and Canada has the resources and technology to contribute to China's growth. The world is beating down a path to China's door. Now is the time to move.

For more information on Canada-China relations, go to www.china.gc.ca.

Urban sustainability mission set for to China

China, February 27-March 10, 2006 > Trade Team Canada Environment's **Urban Sustainability Mission to China** is set for February and March 2006. China's unprecedented urbanization is generating tremendous environmental concerns that are creating significant business opportunities for those that can bring innovative solutions targeting urban sustainability. The mission will focus on climate change technologies, air pollution control and waste management (including hazardous waste, industrial waste control, wastewater and agriculture waste). Participation is not limited to these sectors and all environmental companies with a business interest in China are invited to apply.

Trade Team Canada Environment, in partnership with the Canadian Trade Commissioner Service in China, provincial governments, and industry associations will lead the environmental trade mission, in its third consecutive year, to the world's fastest growing market for environmental solutions. Whether you are an export-ready environmental professional with a business interest in China or already active in the region, don't miss this opportunity to maximize your success in the Chinese market!

For more information, contact Mona Tobgi, Trade Team Canada Environment, tel.: (613) 941-0888, fax: (613) 952-9564, e-mail: tobgi.mona@ic.gc.ca, Web site: http://ttc-environment.ic.gc.ca.

Discover new business opportunities

Are you looking for ways to make the most of international opportunities? Could you use reliable contacts, relevant intelligence and the chance to network with potential clients and partners? If so, read on!

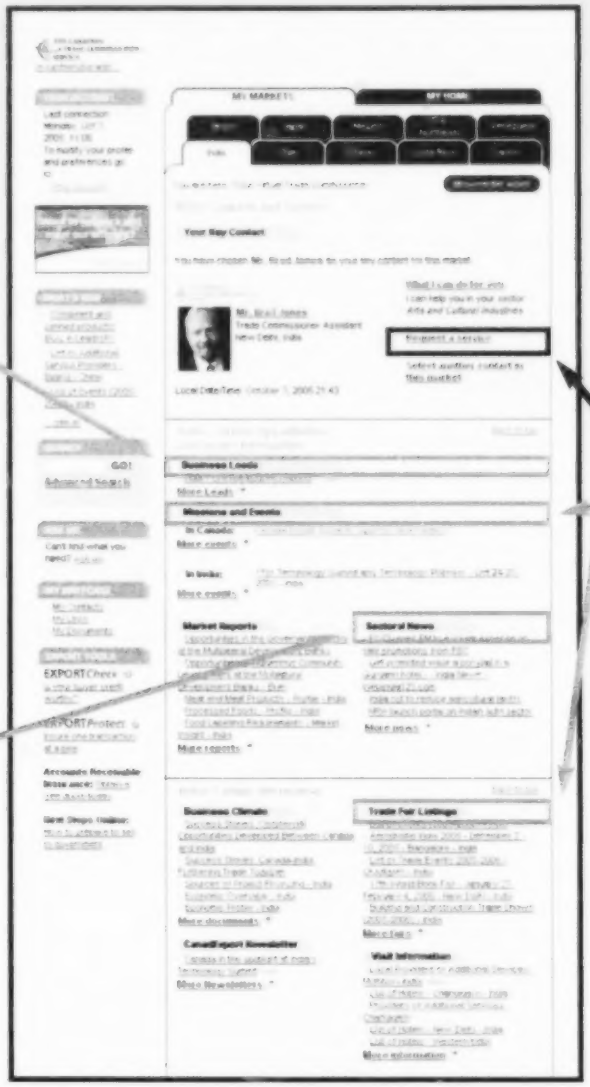
Your Virtual Trade Commissioner (VTC) provides access to business leads, news and key international opportunities. You can even request personal services from a trade commissioner located in your target market. Keep on reading!

Discover qualified leads

Canadian trade commissioners abroad in collaboration with the International Business Opportunities Centre deliver eligible leads exclusively to VTC users. Looking to expand your search in more markets? Click on "More Leads."

Gain insight into your sector

Through your VTC, you can access news items that match your business interests pulled from over 7,000 sources. This invaluable information, updated daily, can keep you informed of events that could affect your company's growth.



For more information on the Virtual Trade Commissioner, or to register, visit:

www.infoexport.gc.ca

Build networks and strategic alliances

Trade shows, missions and events are excellent opportunities to discover business leads and further develop your network of contacts. Use your VTC to keep up to date and to register on-line for special events.

Pull it all together with help from a trade commissioner

All the content available through your VTC goes hand-in-hand with the experience and knowledge of a trade commissioner located in your target market who specializes in your industry sector. Ask for a "Key contacts search" to obtain a list of qualified contacts in your target market. Once you have found a promising opportunity, ask for a "Market prospect" to learn more about it.

To contact a trade commissioner abroad, select "My Markets" at the top of your page, and "request a service." It's that easy!

Business development mission to India

India, December 9-16, 2005 > Join the Canada-India Business Council (C-IBC) **Business Development Mission to India 2005** and seize the opportunity to expand your markets, showcase products, increase sales and meet with foreign buyers and key decision makers from India.

As part of this dynamic mission, delegates will participate in business briefings, technical workshops, networking events, site visits and a comprehensive schedule of individual business meetings with selected potential buyers and strategic partners. The program will also include keynote speeches, high-level business receptions and extensive media coverage.

Trade Team Canada Environment is partnering with the Canada-India Business Council to deliver the environment and energy tracks of the C-IBC 2005 Business Mission. Whether you are an export-ready company working in environmental technologies and services, or a professional new to India or already active in the region, don't miss the opportunity to capture a share of one of the world's fastest growing markets!

For more information, contact Amanda Kramer, Trade Team Canada Environment, tel.: (613) 952-4081, fax: (613) 952-9564, e-mail: kramer.amanda@ic.gc.ca, Web site: http://ttc-environment.ic.gc.ca.

Nairobi to host regional port conference

Nairobi, Kenya, December 5-8, 2005 > Major players in international maritime trade are set to meet in Nairobi for the **Pan-African Ports Cooperation (PAPC) Conference**. It will be hosted by the Kenya Ports Authority in conjunction with the Ministry of Transport. PAPC was formed in 1998 during the first Pan-African Ports Seminar held in Mombasa, with the aim of promoting cooperation among the port community in Africa.

The Conference is expected to bring together CEOs, directors, managers of ports and related organizations on the continent. Other participants will include members from the International Association of Ports and Harbours from Africa and Europe, who will meet to discuss shipping, port business and trends in international trade.

The theme of the conference is "Port modernization: adapting to social, economic and environmental challenges." Facilitators and key speakers at the conference will include renown maritime experts from the Americas, Europe, Asia and Africa.

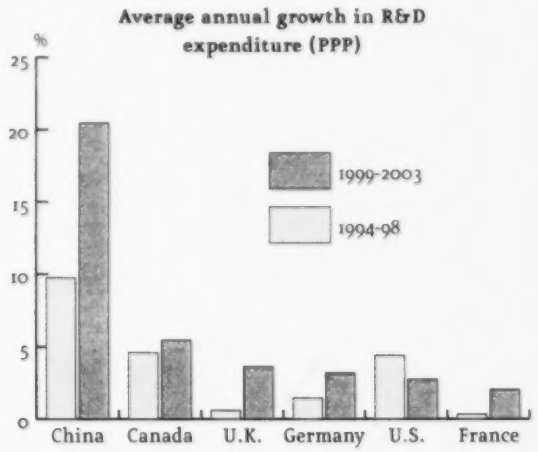
For more information, contact Charity Kabaya, Trade Commissioner, Canadian High Commission in Kenya, tel.: (011-254 20) 366-3000, ext. 3351, e-mail: charity.kabaya@international.gc.ca. Web site: www.kpa.co.ke.

FACTS & FIGURES

China's spending on R&D: Growing by leaps and bounds

Over 1999-2003, China's spending on R&D grew at a blistering 20.5% (average annual growth rate). This was up from 9.8% over 1994-98, a rate which still outstripped most OECD countries, including Canada. In purchasing power parity (PPP) terms, which take into account the lower costs of performing R&D in China, China's expenditure reached $84.6 billion in 2003. This is nearly seven times what it was in 1991. China's expenditures are still small relative to the U.S., which in 2003 spent $284.6 billion on R&D, again in PPP terms. But in 2003 China's spending already exceeded what Germany, France, and the U.K. each spent on R&D, and was not far behind Japan's $114 billion. China is not normally known for its R&D, but that might soon change.

Provided by the Trade and Economic Analysis Division (www.international.gc.ca/eet)



Source: OECD Main Science and Technology Indicators 2005-1

TRADE EVENTS

ARTS AND CULTURAL INDUSTRIES

Philadelphia, Pennsylvania
February 17-20, 2006
Don't miss the **Buyers Market of American Craft**, North America's largest contemporary craft show, which brings together artists and qualified wholesale buyers, providing important networking and sales opportunities.
Contact: Jeffrey Crossman, Trade Commissioner, Canadian Consulate General in New York, e-mail: cngny-td@international.gc.ca.
Web site: www.americancraft.com/BMAC

Bologna, Italy
March 27-30, 2006
Take advantage of the Canada stand at the **Bologna Children's Book Fair**, the industry's most important annual event, featuring children's book publishers, literary agents, TV/film companies, licensing developers and multimedia products.
Contact: Association for the Export of Canadian Books, tel.: (613) 562-2324, e-mail: aecb@aecb.org.
Web site: www.bookfair.bolognafiere.it

Cannes, France
April 3-7, 2006
As the audiovisual and digital media content industry's most important trade market, last year's MIPTV saw over 12,000 participants sign deals estimated at $708 million.
Contact: André Dubois, Trade Commissioner, Canadian Embassy in France, e-mail: france-td@international.gc.ca.
Web site: www.miptv.com

CONSUMER PRODUCTS

Munich, Germany
January 29-February 1, 2006
Be a part of the Activewear Canada Pavilion at **ISPO Winter 2006**, the world's largest trade show for sports equipment and fashion. Exhibition packages are being offered to interested Canadian manufacturers.
Contact: Marsha Ross, Canadian Apparel Federation, tel.: (514) 382-4243, e-mail: mross@apparel.ca.
Web site: www.ispo.de

HEALTH INDUSTRIES

Hyderabad, India
February 19-21, 2006
MediTec 2006, an international trade fair for medical equipment technology with concurrent medical seminars, will bring together hospitals, manufacturers, dealers and distributors, government health officials, doctors and diagnostic centres.
Contact: Kishore Kumar, Trade Commissioner, Canadian Consulate in Chennai, tel.: (011-91-44) 2833-0888, e-mail: kishore.kumar@gocindia.org.
Web site: www.meditecinternational.com

ICT

Kuwait City, Kuwait
December 5-8, 2005
Get connected at **INFOBIZ '05**, Kuwait's IT and Telecom Business Exhibition and Conference that will focus on the growing demand for technology-based business solutions for SMEs. The conference theme is "E-Government for Management Development."
Contact: Canadian Embassy in Kuwait, tel.: (011-965) 256-3025, e-mail: kwait-td@international.gc.ca.
Web site: www.globalconnection.com.kw

Dubai, U.A.E.
March 7-9, 2006
Attend **CABSAT 2006**, the only comprehensive showcase for the electronic media and communications industries in the region, featuring end-to-end technological solutions and services.
Contact: Venky Rao, Organizer's Representative, tel.: (905) 896-7815, e-mail: dwtc@rogers.com
Web site: www.cabsat.com

OIL & GAS

Manama, Bahrain
January, 16-18, 2006
As the region's leading refining and petrochemical event, **Middle East Petrotech 2006** will bring together key oil companies, industry suppliers and service companies. Recent projections state that refining activity in the region will increase by 137% by the year 2020.
Contact: Mazen El-Khatib, Trade Commissioner, Canadian Embassy in Saudi Arabia, tel.: (011-966-1) 488-2288, e-mail: mazen el-khatib@international.gc.ca.
Web site: www.petrotech.com.bh

TOURISM

Miami, Florida
March 13-16, 2006
The 2006 **Seatrade Cruise Shipping Convention** is a well-established international meeting place for quality cruise line visitors and cruise industry suppliers, and will include both a trade show and a conference.
Contact: Justin Tarrants, Trade Commissioner, Canadian Consulate General in Miami, tel.: (305) 579-1600, e-mail: infocentre.miami@international.gc.ca.
Web site: www.cruiseshipping.net

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